

STATE OF VERMONT  
PUBLIC SERVICE BOARD

Docket No. 6290

Investigation into the establishment of )  
guidelines for distributed utility planning by )  
Vermont electric distribution utilities )

BILATERAL AGREEMENT BETWEEN THE DEPARTMENT OF PUBLIC SERVICE AND  
VERMONT MARBLE POWER DIVISION OF OMYA, INC.

This bilateral agreement entered into by and between Vermont Marble Power Division of OMYA, Inc. ("VMPD") and the Vermont Department of Public Service (the "Department" or "DPS") supplements the Distributed Utility Planning ("DUP") Collaborative Phase I Stipulation ("Stipulation") in this docket. The Stipulation sets forth the agreement of the Department and VMPD, as well as other parties to the captioned proceedings, with regard to the adoption of Initial Guidelines and the establishment of a Phase II Collaborative. This bilateral agreement incorporates the Stipulation. Terms defined in the Stipulation shall have the same meaning when used herein, except that, in this bilateral agreement, the term "Parties" shall mean VMPD and the Department.

VMPD and the Department supplement the Stipulation with the following agreements:

1. During the term of this Bilateral Agreement, VMPD shall perform routine repair, maintenance, and replacement projects in the ordinary course of business as necessary for its electric system. When engineering such projects, VMPD shall identify and implement the least-cost T&D alternative that is expected to meet customer needs and to assure electric system safety, stability, and reliability.
2. During the term of this Bilateral Agreement, VMPD shall engage in and undertake appropriate steps to implement DUP for its potential large T&D supply problems utilizing the Initial Guidelines. VMPD represents that the only known study area where DUP may make a difference in the selected strategy to remedy a large T&D supply problem is included on the list which is Attachment A. VMPD is responsible for monitoring growth on its system, proposing adjustments to the list, and applying the Guidelines to any service areas in which developments relating to T&D supply problems warrant applying the Initial Guidelines. The Parties recognize and understand that the known study area is impacted by customer driven projects and requests for service that must be responded to in a timely manner. The specific area(s) to be studied utilizing the Guidelines during the term of this Bilateral, and the pace of the performance of said studies, will be coordinated by the Parties, with reasonable recognition given to meeting both VMPD and specific customer planning requirements and providing least-cost

service in accordance with the Guidelines.

3. This Bilateral Agreement shall remain in full force and effect until May 1, 2001, unless extended by the Parties.
4. The Parties have made specific compromises to reach the Stipulation and this Bilateral Agreement. The Parties agree that, should the Board fail to approve the Stipulation and this Bilateral Agreement in their entirety, the Parties' agreements set forth herein and therein shall terminate, and the Parties shall have the right to file prefiled testimony on all issues to be considered in this docket and the Parties' agreements in the Stipulation and this Bilateral Agreement shall not be construed by any party or tribunal as having precedential impact on any testimony or positions that may be advanced in these proceedings.

Dated at Montpelier, Vermont this       day of September, 2000.

VERMONT DEPARTMENT OF PUBLIC SERVICE

By \_\_\_\_\_  
Aaron Adler, Special Counsel

Dated at Rutland, Vermont this       day of September, 2000.

VERMONT MARBLE POWER DIVISION OF OMYA, INC.

By \_\_\_\_\_  
Edward V. Schwiebert, Esq.

## ATTACHMENT A

This document constitutes the list described in paragraph two of the bilateral agreement dated September 22, 2000 between Vermont Marble Power Division of OMYA, Inc. and the Department of Public Service in Docket No. 6290.

Verpol (OMYA West) Plant    Relocation and upgrade of plant transmission line segment